

~~CONFIDENTIAL~~

051258
5 DEC 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Cost Experiment - Printing Plant

REF : Memo to Comptroller Policy Planning Group, dated
14 October 1958

1. The Comptroller's Policy Planning Group met on 7 November 1958 to discuss the classification and recording of certain costs of the Printing Service Division, Office of Logistics. Specifically, the question was how to classify certain costs between those which are to be "recovered" and those which are NOT to be "recovered" from customers of the Printing Service Division; also, how to classify and record the latter as costs of the Printing Service Division yet treat them as Agency overhead or as Agency capital expenditures for management purposes.

2. The following persons attended:

	Chairman
	TAS
	TAS
	, FMIP
	, FMIP
	Budget Division
	Assistant Comptroller
	Finance Division

25X1A9a

3. The following costs were discussed:

a. Rent, utilities, and operations and maintenance costs of the building in which the [] printing plant is located. Such costs are currently charged to the OL/Real Estate and Construction allotment. It was concluded that there should be no change in the recording of such costs. The reasoning behind this conclusion was that such costs are really Agency costs, rather than Printing Service Division costs, because, presumably, the [] building is rented only because space in government-owned buildings is not available.

25X1A6a

b. Equipment rental: Certain pieces of equipment in the printing plants are rented. The cost of such rent is currently treated as a Printing Service Division cost. It was concluded that such rental costs should be treated as Printing Service Division costs which are to be "recovered".

25X1A6a

~~CONFIDENTIAL~~

DOC	22	REV DATE	14/01/81	BY	018995
ORIG COMP			38	TYPE	01
ORIG CLASS				REV CLASS	C
JUST	22	NEXT REV	2/3/11	AUTH	70-2

~~CONFIDENTIAL~~

Approved For Release 2002/05/01 : CIA-RDP80-01370R000300070036-3

SUBJECT: Cost Experiment - Printing Plant

c. Depreciation of printing and reproducing equipment (other than administrative-type equipment). This subject received considerable discussion. Consideration was given to depreciating such equipment on either a straight-line basis or a 100 percent basis. Consideration was also given to the use of a capital expenditure budget in lieu of depreciation, by any method. The cost of new and replacement equipment is now treated as a cost of the Printing Service Division. It was concluded that the cost of new and replacement equipment should continue to be treated as a cost of the Printing Service Division but one which is not to be "recovered"; and that such cost should be recorded in a separate FSD cost-center account titled "FSD/New and Replacement Equipment". This will isolate the cost of new and replacement equipment for management purposes.

d. Overhead Salaries: The salaries of [] and the personnel of their immediate offices, are the salaries which were included in this category. These salaries are now treated as costs of the Printing Service Division. It was concluded that such salary costs should be treated as costs of the Printing Service Division which are to be "recovered".

e. Guard Services: The cost of guard service at the [] plant and the Administration Building plant is charged to a cost-center account of the Office of Security. It was concluded that there should be no change in the recording of the cost of such guard service.

f. It was concluded that the cost of the night shift, including material as well as labor and overhead, at the [] plant should be charged in total to [] as the personnel on that shift work on only one job, i.e. running off mats which have been prepared by []

g. It was concluded that the cost of the Q Building plant should be charged in total to DD/I. This plant performs work for OCI, OHR, and OCH of the DD/I. The basis for distributing the costs between OCI, OHR, and OCH has not yet been determined.

h. It was concluded to substitute the following cost-center accounts for the FSD cost-center accounts now listed in the Chart of Allotment Accounts for Fiscal Year 1959. These accounts will be set up in vouchered and confidential

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 2002/05/01 : CIA-RDP80-01370R000300070036-3

SUBJECT: Cost Experiment - Printing Plant

fund records, as appropriate.

PSS/Administration Building Plant

PSS/Building Plant

PSS/Plant (Night Shift)

PSS/Rep and Replacement Equipment

PSS/Plant and Other Direct Costs

PSS/Overhead

25X1A6a

25X1A6a

25X1A9a

Approved For Release 2002/05/01 : CIA-RDP80-01370R000300070036-3

~~CONFIDENTIAL~~